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AppropriationTestimony
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RETIREE HEALTH INSURANCE

As an active teacher and CEA member.I am opposed to the Malloy proposal.

The State should honor its obligation - active and retired teachers have ALWAYS dutifully made their required health insurance contribution.

Active teachers contribute 1.25% of salary annually into retired teachers' health insurance fund – this represents the largest contribution to this health fund. In 2012-13, active contributions of over \$45 million will be deposited into the health fund.

Retired teachers participating in the STRB's Medicare supplement plan also contribute a premium share to the Fund. In 2012-13, retirees' contributions will amount to almost \$38 million.

Retired teachers and spouses under age 65 and over-65 retirees who are not Medicare eligible obtain insurance through last employing board of education and typically pay full cost of insurance, minus \$110 per month subsidy paid from the Health Fund. Monthly costs currently range from around \$400 to over \$900 per person, depending on local plans.

The law requires the State to pay one-third of the medical costs for retirees. Governor Malloy's budget proposal overrides this law and eliminates the State's contribution to the health fund for two years. This will save the State over \$70 million.

The reduction in the State's contribution to the health fund will negatively affect its long-term solvency. Active and retired teachers have been paying into the health fund with the understanding that it will be there for them when they retire.

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